

9 August 1954

MEMORANDUM FOR THE DIRECTOR OF CENTRAL INTELLIGENCE

SUBJECT: NIE 41-54: "Probable Developments in Japan"

1. Production of the estimate was included in the program of estimates approved by the IAC on 22 December 1954 (IAC-D-1/6).

2. This estimate supersedes NIE-52, "The Probable Future Orientation of Japan", published 29 May 1952. NIE-52 represented a more exhaustive and detailed study of the factors affecting Japan's orientation. In the main, however, the two papers cover the same ground. The conclusions of NIE 41-54 differ only in tone and emphasis from those reached two years ago in NIE-52. Whereas NIE-52 appeared optimistic over the prospects of Japan's gaining in strength, NIE 41-54 stresses the precarious economic situation and the indecision and lack of self-confidence and initiative in Japan.

3. The estimate foresees a continuation of Japan's US alignment, although Japan will attempt to pursue a more independent foreign policy and there will probably be some growth in neutralist sentiment. Japan's economic situation will continue to be precarious and Japan will almost certainly continue to be economically and militarily dependent on the US. Through 1957, Japan will not be in a position to play a leading or stabilizing role in Asian affairs.

4. Preparation of the estimate presented no unusual problems in regard to drafting or coordination. The IAC representatives were in general agreement with the final text. We are unaware of any matters which would give the IAC any trouble at tomorrow's meeting.

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Distribution:
Orig and 3 - DDI for DCI

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Reading RM. ✓
AD/NE

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Acting Assistant Director
National Estimates

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